



# Wireless and Contactless Payments

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# Mobile changes the nature of money and makes contactless payments more than a swipe replacement (tap vs. swipe)

- Ubiquitous
- Always On/Timely/Convenient
- Intelligent and Customizable
- Interactive and Engaging
- Contextual and Tailored
- Robust UI
- Reliable and Secure Network
- PINs and Other Security Features
- Authentication Tools
- Mobile Alerts, Notices, Receipts & Coupons
- Potential Distribution & Enrollment Network (including unbanked)
- Location-Based Services
- Wallets With Multiple Payment Instruments
- Soft Card Life-Cycle Mobile Management
- Mobile Marketing and Advertising
- Camera Phones, etc.

# "Top 3" Benefits Mobile Brings to the Table



Ability to Know the Customer and  
the Customer's Location



Reliable and Secure Network



Robust User Interface

# Ability to Know the Customer and the Customer's Location

- *Authentication* is key for any payment transaction (regulatory compliance, fraud mitigation, consumer protection, payment network rules, customer service, etc.)



# Ability to Know the Customer and the Customer's Location

- *Wireless carriers* know their customers (handset tied to wireless account, phone number, other identifiers)
- This can be *leveraged* to authenticate mobile payment transactions and provide other opportunities



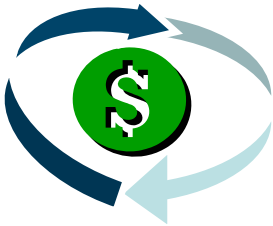
# Reliable and Secure Network



- **Wireless protocols** (CDMA, GSM, etc.) have *"built in"* security features that make them more secure than the Internet



- **Handsets and mobile wallets** provide PINs and other *security features*

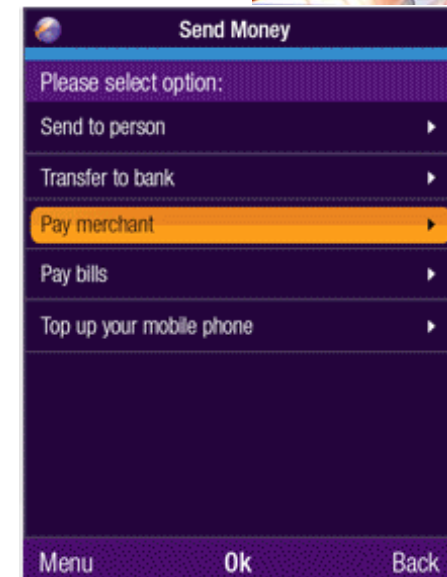


- Soft card provisioning and **Life-Cycle Management**



# Robust User Interface

- *Screen* to display real time payment / purchase information, transaction history and proof of purchase
- Mobile wallets and other *interactive* applications
- Makes a "dumb" payment instrument *smart*





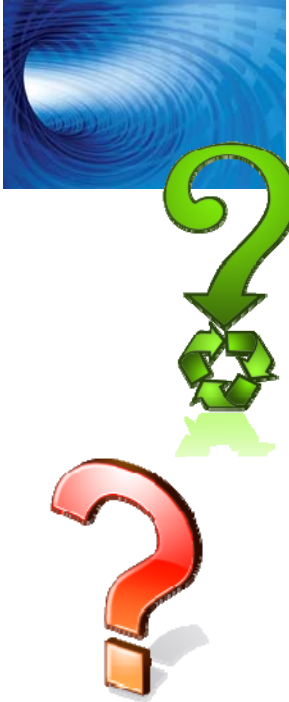
# Allocating Compliance and Consumer Protection Responsibility

- *CTIA Mobile Financial Services Action Team* has been evaluating regulatory compliance, disclosures, authorization, access controls, fraud prevention, privacy and security (including perception), protection of minors, dispute rights, etc.
- Does mobile payments create any new concerns? *Mobile improves on those concerns.*



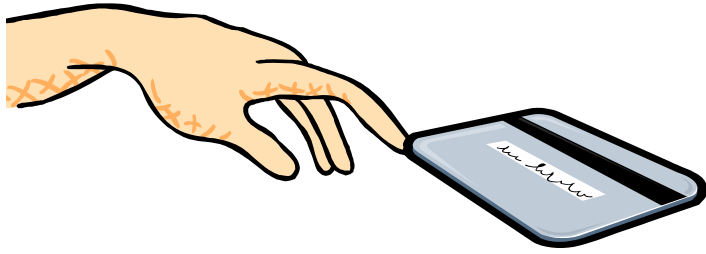


# Allocating Compliance and Consumer Protection Responsibility (cont.)



- *Open questions*, including ecosystem participants; network management and "open" networks, handsets and applications; adapting existing regulations to new business models
- Despite open questions, there will always be one or more "*program providers*" responsible for compliance and consumer protection





## Recap



- *Mobile* provides robust user interface, a secure environment, and the ability to know the customer and the customer's location—all of which *enlivens contactless payments*
- *Mobile payments* involves consumer protection topics, but the mobile *improves the consumer experience* and some of the oft-raised *consumer concerns*
- The *wireless industry* is *well suited* to help the *contactless payments* industry develop



